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## INTELLIGENCE MEMORANDUM

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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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Intelligence Memorandum

Subject: Italian Local Elections Will Measure Communist Strength

- 1. The Italian provincial and municipal elections, scheduled to begin on 27 May 1951, will furnish the first nation-wide gauge of Communist and anti-Communist strength since the national elections of April 1948. These elections are important to US security interests for two reasons. The pro-Western De Gasperi government faces a popular verdict on its foreign and domestic policy that will affect the nature of the post-election cabinet reshuffle, which has been necessitated by the withdrawal of the Socialists from the Christian Democrat-dominated coalition. Also at stake is the Communist Party's grip on North Italy, which the Party has maintained through its domination of the municipal councils in Genoa, Turin, Venice, Florence and Bologna and in many medium-sized cities and through its control of the labor force in the metallurgical industries. (Because of this situation, the Communists command a strategic pathway for invasion of Western Europe across northern Italy.)
- 2. Although the Communists are expected to lose votes in these elections, the extent of their losses is uncertain because of three factors connected with Italy's defense program: (a) any further rise in the cost of living will tend to swing a large portion of the independent labor vote behind the Communists; (b) the recently-renewed initiative on the part of the Italian Communist Party in calling strikes on genuine economic issues will help to restore its prestige as a champion of labor's interests; and (c) the fear that war is increasingly imminent as a result of Italian rearmament will tend to align "neutralist" segments of the population with the Communists The "peace campaign" of the Italian Communists and the philo-Communist Nenni Socialists, which has been designed to win votes and, if possible, to obstruct Italian defense efforts, has been directed primarily at the neutralitymindedness of considerable numbers of Italians. The Italian Communist Party seeks to convince Italians that rearmament means war, the disruption of the nation's economy or, at the least, a decline in the standard of living. Traditional Italian "neutralism" was particularly strong among the warweary population following World War II. It has greatly declined with the Korean war and the increasing clarity of Soviet intentions, but it continues to appeal to certain sectors of the population. It is, no doubt, due to a recognition of this appeal that the Italian Senate has delayed its approval of the \$400 million rearmament program previously passed by the Chamber of Deputies. The government has made two moves to counteract the Communists' efforts to win votes through their peace campaign: (a) it has called for a complete revision of the Italian peace treaty in an attempt to win the support of right-wing nationalist and "neutralist" elements who are apprehensive over Italy's incapacity to wage even a defensive war against a major power; and (b) Foreign Minister Sforza has sought to demonstrate Western willingness to avoid war by proposing that the NATO nations

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offer a non-aggression pact to the Communist countries. The Communists can exploit popular concern over the effect of Italy's defense program on the standard of living more easily than the fears that this program will lead to war. Such concern continues strong among both conservative and reformist groups and may well gain additional impetus -- for example, from former British Labor Minister Bevan's stand on British rearmament.

- 3. It is probable that the Communists will lose votes as a result of increasing popular recognition that the Italian Communist Party is primarily an instrument of Soviet foreign policy and as a result of the improvement in economic conditions that has occurred since the April 1948 national elections. The government will further profit from the new electoral law, which will enable the Christian Democratic, Republican, anti-Communist Socialist and Liberal parties to submit "linked lists" of candidates in communes with a population over 10,000. However, Premier De Gasperi's Christian Democratic Party will probably lose votes to the rightist parties and to the anti-Communist left. Conservative groups are opposed to the Christian Democrat land and fiscal reform program and will tend to switch their support to monarchist or even neo-fascist parties. The Vatican may follow a similar tactic, for it reportedly wishes to free itself from any responsibility for Christian Democrat policies -- which, it believes, have been unfavorably received among the masses. Furthermore, certain progressive elements, aissatisfied with what they regard as the failure of the Christian Democrats to carry out on a national scale their promises of socio-economic improvements, may vote for the anti-Communist Unitary Socialists (who recently united with the Saragat Socialists to form the Italian Socialist Party). Absenteeism at the polls resulting from a widespread belief that the Communist threat has substantially subsided will also probably reduce the Christian Democrat vote.
- as has been reported, the results will indicate the degree of public support for the government's pro-Western policies, and, conversely, the extent of neutrality sentiment among the population. Moreover, these elections may reveal trends that can be expected in the 1953 national elections. There are at least two interesting possibilities: the development, through the projected Socialist Party, of the "loyal opposition" which is now missing from Italian politics; and the combination of various monarchist and neo-fascist groups on the extreme right into a force capable of exerting a strong appeal to university students and other middle-class elements who believe they have no real future under the present government.